

TORONTO STOCK EXCHANGE

NOV 23 1955

LISTING STATEMENT**CALALTA PETROLEUMS LTD.**

Incorporated under The Companies Act of Alberta by Certificate of Incorporation dated June 21st, 1948

1. Address of the Company's Head Office and of any other office:

602 Bamlett Building, Calgary, Alberta.

2. Officers of the Company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	Paul A. Beique	615 Dunlop Avenue, Outremont, P.Q.	Civil Engineer
Vice-President	Edwin M. Freeman	685 Rockland Avenue, Outremont, P.Q.	Corporation Executive
Secretary-Treasurer	C. Stewart Blanchard, Q.C.	602 Bamlett Building, Calgary, Alberta	Barrister-at-Law
Asst. Sec.-Treas.	Norman R. Iredale	602 Bamlett Building, Calgary, Alberta	Barrister-at-Law
Asst. Sec.-Treas.	Lillian M. Forbes	602 Bamlett Building, Calgary, Alberta	Secretary

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
Paul A. Beique	615 Dunlop Avenue, Outremont, P.Q.	Civil Engineer
Edwin M. Freeman	685 Rockland Avenue, Outremont, P.Q.	Corporation Executive
C. Stewart Blanchard, Q.C.	602 Bamlett Building, Calgary, Alberta	Barrister-at-Law
Jean E. Beique	757 Cote Place d'Armes, Montreal, P.Q.	Civil Engineer
Dr. Franklin G. Beall	5327 Queen Mary Road, Montreal, P.Q.	Physician
Hector Skinner	Ponoka, Alberta	Retired

4. Names and addresses of all transfer agents:

Prudential Trust Company Limited, in Calgary, Alberta; Montreal, P.Q.; Vancouver, B.C., and Toronto, Ontario.

5. Particulars of any fee charged upon transfer other than customary government taxes:

A fee of fifty (50) cents is charged for each certificate of shares issued pursuant to a transfer of shares.

6. Names and addresses of all registrars:

Prudential Trust Company Limited, Calgary, Alberta.

7. Amount of authorized capital: \$1,250,000.00.

8. Number of shares and par value: 5,000,000 shares, having a par value of 25 cents per share.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

DATE	NUMBER OF SHARES	DESCRIPTION
June 22nd, 1948.....	131,400	Following the incorporation of the Company, the Company acquired from Plains Petroleum Limited certain oil and gas leases, and an option to acquire other oil and gas leases in the Ponoka Area, in Alberta, in consideration whereof the Company allotted to Plains Petroleum Limited 1,150,000 fully paid shares of the Capital Stock of the Company, which shares were placed in escrow with Prudential Trust Company Limited subject to release from escrow only with the consent, and under the direction of the Registrar under The Securities Act of Alberta. The Company was unable to raise sufficient capital to conduct drilling operations on the properties acquired from Plains Petroleum Limited, as aforesaid, or to carry out the terms of the option to acquire other interests in the Ponoka Area; subsequently all the properties aforesaid were abandoned. On May 26th, 1952, Plains Petroleum Limited surrendered to the Company, by way of gift, 1,018,600 shares of the 1,150,000 shares originally allotted to Plains Petroleum Limited, as above set forth. At a meeting of the shareholders of the Company held on the last-mentioned date, the said 1,018,000 shares surrendered to the Company by Plains Petroleum Limited were cancelled, and the share capital of the Company was, accordingly, diminished from \$875,000.00, divided into 3,500,000 shares with a nominal or par value of 25 cents per share, to \$620,350.00, divided into 2,481,400 shares having a par value of 25 cents per share. The remaining 131,400 shares belonging to Plains Petroleum Limited were subsequently released from escrow by direction of the Registrar under The Securities Act of Alberta. Subsequently, on September 1st, 1954, the authorized capital of the Company was increased to \$1,250,000.00, divided into 5,000,000 shares, having a par value of 25 cents per share.

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open or inspection at the general office of the Exchange.

10. Full details of all shares sold for cash.

Date	No. of Shares	Price per Share	Amount realized by Company
December 29, 1948.....	41,171	25 cents	\$ 10,292.75
January 25, 1949.....	65,220	25 cents	16,305.00
February 2, 1949.....	7,100	25 cents	1,775.00
February 10, 1949.....	5,600	25 cents	1,400.00
February 15, 1949.....	1,100	25 cents	275.00
March 2, 1949.....	10,300	25 cents	2,575.00
March 8, 1949.....	1,000	25 cents	250.00
May 9, 1952.....	5	25 cents	1.25
July 14, 1952.....	237,109	25 cents	59,277.25
August 18, 1952.....	154,000	32½ cents	50,050.00
September 20, 1952.....	123,000	32½ cents	39,975.00
October 31, 1952.....	123,000	32½ cents	39,975.00
December 24, 1953.....	150,000	25 cents	37,500.00
January 6, 1954.....	25,000	25 cents	6,250.00
February 26, 1954.....	75,000	25 cents	18,750.00
April 28, 1954.....	100,000	25 cents	25,000.00
June 25, 1954.....	100,000	25 cents	25,000.00
October 24, 1954.....	400,000	30 cents	120,000.00
November 20, 1954.....	200,000	30 cents	60,000.00
December 23, 1954.....	200,000	35 cents	70,000.00
January 25, 1955.....	200,000	40 cents	80,000.00
April 29, 1955.....	200,000	45 cents	90,000.00
June 29, 1955.....	200,000	55 cents	110,000.00
September 29, 1955.....	200,000	60 cents	120,000.00
September 29, 1955.....	50,000	30 cents	15,000.00
TOTALS.....	2,868,605		\$999,651.25

11. Total number of shares issued.

3,000,005.

12. Number of shares now in treasury or otherwise unissued.

1,999,995.

13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.

Nil.

14. Date of last annual meeting.

June 16th, 1955.

15. Date of last report to shareholders.

May 17th, 1955.

16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.

By agreement dated May 17th, 1955, Gulf Securities Corporation Ltd., of Montreal, underwrote 200,000 shares at 55 cents a share and secured options on 200,000 shares at 60 cents a share and 200,000 shares at 70 cents a share. The underwritten shares and 200,000 shares optioned at 60 cents a share have been taken up and paid for, as set out in item 10 above, and the balance of the option remaining outstanding is as follows:
200,000 shares at 60 cents a share until December 31st, 1955.

17. Details of any shares pooled, deposited in escrow, non-transferable or held under any syndicate agreement or control.

None.

18. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.

Registered under The Securities Act of Alberta on September 2nd, 1952, authorizing sale of 246,000 shares to Gulf Securities Corporation Ltd. at 32½ cents per share. Company became listed on Montreal Curb Market on January 22nd, 1953, and registration under Securities Act thereafter dispensed with.

19. Has any application for registration with, or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled or revoked? If so, give particulars.

No.

20. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None.
21. Enumerate fully, giving claim or property numbers, approximate acreage, townships and mining camp or oil field: (a) Properties owned where titles vested in Company. (b) Properties leased. (c) Properties otherwise held. Give particulars of title held by the Company in each instance, (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)	See page 10.
22. Full particulars of any royalties or other charges payable upon production from each individual property.	See page 10 and 11.
23. Are any lawsuits pending against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so, explain fully.	No.
24. Describe plant and equipment on property.	(1) Tanks, pumphouses and production equipment for two wells located on L.S.D's 4 and 5 of Sec. 10-49-27, W. 3rd Meridian (Lloydminster). (2) 3,500 feet of new and used casing and new well-head equipment in storage.
25. Describe development accomplished and planned.	<p>In 1952 and 1953 the Company drilled four wells, none of which were productive, and the acreages on which they were drilled were thereafter surrendered.</p> <p>The Company has since adopted a general policy of acquiring lands in areas where active development is being carried on by major companies with a view to farming out such lands to other companies on terms whereby such companies will carry out exploration work at their own cost in return for an interest in the farmed-out properties.</p> <p>The Company, however, proposes to drill two wells on its Lloydminster property this summer in partnership with Fargo Oils Ltd.</p>
26. Date and author of mining engineer's or petroleum geologist's report filed with this application and available for inspection on request.	Trafford & Associates Ltd. Report dated June 30th, 1955.
27. Full particulars of production to date.	<p>Production August 1st, 1954, to December 31st, 1954, from Lloydminster wells (in which Calalta acquired 75% interest as of August 1st, 1954) 3,561.82 barrels.</p> <p>Income for said period from above, \$3,447.70.</p>

28. Have any dividends been paid?
If so, give dates, per share rate,
and amount paid in dollars on
each distribution.

No dividends paid.

29. Name and address of the solicitor
or attorney whose certificate
that the applicant is a valid and
subsisting company and that
the shares which have been all-
otted and issued were legally
created and are fully paid and
non-assessable has been filed
with the Exchange.

C. S. Blanchard, Q.C.,
602 Bamlett Building,
Calgary, Alberta.

30. (a) Have any shares of the Com-
pany ever been listed on any
other stock exchange? If so,
give particulars.

Listed on Canadian Stock Exchange, Montreal, on January 22nd,
1952, and on Calgary Stock Exchange on July 29th, 1954.

(b) Is any application for listing
the shares of the Company
on any other stock exchange
now pending or contemplated?
If so, give particulars.

An application for listing on the Vancouver Stock Exchange is
contemplated but has not yet been made.

(c) Has the listing of any shares
of the Company ever been
refused or deferred on any
stock exchange? If so, give
particulars.

No.

31. Particulars of the principal busi-
ness in which each director has
been engaged during the past
five years, giving the length of
time, position held and name of
employing company or firm.

MR. PAUL A. BEIQUE: During past five years Mr. Beique has carried
on the profession of Civil Engineer and Consultant in Montreal.
Self-employed.

MR. EDWIN M. FREEMAN: Principal occupation during past five
years has been that of a Corporation Executive, in which
capacity he has served as President and Director of United
Asbestos Corporation; Vice-President and Director of Quebec
Copper Corporation; Quebec Chibouzman Goldfields Co.;
Phillips Oil Company Limited; Structo Company, and other
corporations.

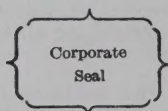
MR. C. STEWART BLANCHARD, Q.C.: For past five years has practised
the profession of law in Calgary on his own account and as
senior partner of the firm of Blanchard and Iredale.

MR. JEAN E. BEIQUE: During past five years has carried on the
profession of Civil Engineer and Consultant in Montreal. Self-
employed.

MR. HECTOR SKINNER: During past five years has been the proprietor
of Skinner Motors Ltd., Ponoka, Alberta. Mr. Skinner has
recently sold this business and is now retired.

DR. FRANKLIN G. BEALL: Has practised as a physician in Montreal
for the past five years.

Dated at Calgary, Alberta, the 3rd day of October, 1955.



CALALTA PETROLEUMS LTD.,

"E. M. FREEMAN", *Vice-President.*

"C. S. BLANCHARD", *Secretary-Treasurer.*

STATEMENT SHOWING NUMBER OF SHAREHOLDERS as of June 30th, 1955

Number		Shares	
53	Holders of	1 - 100 shares.....	4,151
279	" "	101 - 1000 ".....	171,017
44	" "	1001 - 2000 ".....	76,492
15	" "	2001 - 3000 ".....	41,501
11	" "	3001 - 4000 ".....	41,300
23	" "	4001 - 5000 ".....	110,700
47	" "	5001 - up ".....	2,304,844
472 Shareholders		Total Shares.....	2,750,005

FINANCIAL STATEMENTS

SUPPLEMENTAL FINANCIAL INFORMATION

Since June 30th, 1955, the date of the Balance Sheet published below, the Company has received the sum of \$135,000 from the sale of an additional 250,000 treasury shares as set out in item 10 on page 2, and its cash position and issued capitalization have been increased accordingly.

BALANCE SHEET AS OF JUNE 30, 1955

ASSETS

CURRENT ASSETS:	
Cash in bank.....	\$243,633.18
Accounts receivable.....	2,313.28
Prepaid expenses.....	2,790.56
TOTAL CURRENT ASSETS.....	\$248,737.02
Investment in shares and share warrants of Canada Oil Lands Ltd.—at cost (market value \$271,250.00).....	176,245.84
Refundable reservation and drilling deposits.....	17,375.00
Non-producing petroleum and natural gas leases, reservations, permits and interests therein—at cost.....	\$211,923.61
Producing petroleum and natural gas lease and equipment thereon—at cost (<i>Note 1</i>).....	\$39,800.00
Less allowance for depreciation and depletion (<i>Note 1</i>).....	7,881.75
	<u>31,918.25</u>
Casing on hand—at cost.....	243,841.86
	<u>10,419.57</u>
	\$696,619.29

LIABILITIES

CURRENT LIABILITIES:	
Accounts payable.....	\$ 4,650.74
TOTAL CURRENT LIABILITIES.....	\$ 4,650.74
Shareholders' Equity:	
Common shares of a par value of 25 cents per share.	
Authorized—5,000,000 shares; outstanding, 2,750,005 (<i>Notes 2 and 3</i>).....	\$687,501.25
Premium on shares.....	210,000.00
	<u>\$897,501.25</u>
Deficit.....	205,532.70
	<u>691,968.55</u>
Commitments and contingencies (<i>Note 4</i>).....	
	<u>\$696,619.29</u>

Approved on behalf of the Board: "Paul A Beique", *Director*.
"C. S. Blanchard", *Director*.

The accompanying Notes 1 to 4 form an integral part of the financial statements.
(This is the Balance Sheet referred to in the report of Peat, Marwick, Mitchell & Co., Chartered Accountants, dated July 6, 1956.)

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Calalta Petroleums Ltd. as of June 30, 1955, and the statements of profit and loss and deficit for the six months ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of profit and loss and deficit are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company at June 30, 1955, and the results of its operations for the six months ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Calgary, Alberta, July 6, 1955.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

NOTES TO THE FINANCIAL STATEMENTS—JUNE 30, 1955

Notes

1. Producing petroleum and natural gas leases and equipment thereon—at cost, \$39,800.00.
The above represents the Company's 75% interest in two oil wells. The wells have been closed down since September, 1954, in the case of one well, and since February, 1955, in the case of the other. In all probability these wells will require to be re-worked before further oil can be produced.
Depletion has been provided at the rate of \$1.50 per barrel of oil produced.
2. During the six months ended June 30, 1955, the Company issued 200,000 shares for a cash consideration of 40 cents a share, 200,000 shares for a cash consideration of 45 cents a share, and 200,000 shares for a cash consideration of 55 cents a share.
3. The Company has granted stock options to seven directors, giving the grantees thereof the right to purchase in the aggregate 50,000 shares of the capital stock of the Company at 30 cents a share, exercisable at any time prior to September 30, 1959.
The Company has granted stock options to another company, giving the grantee thereof the right to purchase 200,000 shares of the capital stock of the Company at 60 cents a share exercisable on or before September 30, 1955, and 200,000 shares of the capital stock of the Company at 70 cents a share exercisable on or before December 31, 1955.
4. The Company purchased interests in certain reservations which were the subject of farm-out agreements with other oil companies. The Company is contingently committed to make further cash payments to the vendor if holes are drilled by the farmees on the various reservations. The aggregate of such payments would amount to \$138,000.00. No liability in respect thereof is included in the accompanying balance sheet.

STATEMENT OF PROFIT AND LOSS — SIX MONTHS ENDED JUNE 30, 1955

INCOME:

Sale of crude oil..... \$ 651.06

EXPENSES:

Lease operating expenses.....	\$ 478.26
Directors' fees.....	575.00
General expense.....	298.59
Professional fee.....	380.00
Travelling expense.....	210.70
Maps and plans.....	253.20
Postage.....	47.18
Printing and stationery.....	749.04
Management and secretarial fees.....	3,750.00
Share issue expenses, etc.....	485.80
Telephone and telegraph.....	96.62
Trustees' and agency fees.....	467.41
Lease rentals.....	1,538.00
Reservation renewal fees.....	1,785.79
Leases abandoned.....	17,913.84
Depreciation on production equipment.....	1,181.25
Depletion.....	1,068.00
	<u>31,278.68</u>
	\$ 30,627.62
MISCELLANEOUS INCOME.....	258.39
NET LOSS.....	<u>\$ 30,369.23</u>

STATEMENT OF DEFICIT — SIX MONTHS ENDED JUNE 30, 1955

Balance, December 31, 1954.....	\$175,163.47
Add net loss for the six months ended June 30, 1955.....	30,369.23
Balance, June 30, 1955.....	<u>\$205,532.70</u>

The accompanying Notes 1 to 4 form an integral part of the financial statements.

ENGINEER'S REPORT

Calalta Petroleum Ltd.,
600-2 Bamlett Building,
Calgary, Alberta.

June 30th, 1955.

Dear Sirs:

We herewith submit the following general geologic report on the acreage in which Calalta Petroleum Ltd. has interests. A discussion of the acreage, details of which were provided by the Company and whose accuracy we do not guarantee, follows:

BLOOD INDIAN RESERVE PERMITS Nos. 236B AND 237B (Twp. 6, Rge. 25, W. 4)—

The Company has 40% interest in 12,540 acres.

These permits are located on the west central edge of the Blood Indian Reserve, a political division whose boundaries also enclose a physiographic feature. Although it has not been definitely proved, there is the strong suggestion that the rivers marking the extent of the Reserve also roughly delineate faulting, the actual Reserve being a down faulted block. This gives rise to the possibility of stratigraphic traps within the Reserve provided suitable reservoirs were involved with the faulting. Several wells have been drilled some six to eight miles east and southeast of the permits and were located on the east flank of the block. While some shows were encountered, no commercial production was secured. Two wells are presently drilling in the general area of the acreage—Western Blood No. 17-9 (9-17-5-25, W. 4) and Sinclair Baysel McLeod Creek No. 1 (1-34-8-25, W. 4).

Of the wells drilled within the Reserve some encouragement has been found but, as yet, there have been no significant discoveries. However, this structural feature is far from being adequately evaluated and chances exist in a number of horizons as follows: Belly River, Cardium (if present), Jumping Pound Sandstone, Fish Scale Sandstone, Bow Island, Basal Blairmore Sands, Jurassic and Banff Sandstone. The Devonian is not ruled out but is expected to be deep in the section.

This is fair wildcat acreage.

SPRINGBURN RESERVATION No. 2009 AND SPRINGBURN LEASES—

The Company has 40% interest in 39,680 Reservation acres.

The Company has 40% interest in 4,168 Lease acres.

This reservation, located some 25 miles southeast of the town of Peace River, has good possibilities for eventual production. Exploration work (in the form of photo-geology, seismic and slim hole drilling) has indicated the possibility of Devonian reefing being present with attendant chances for premium quality accumulations. Very good chances exist for Basal Cretaceous drape production on the flanks of any anomalous features. It is worth noting that a good show of 12° A.P.I. oil was encountered in the Dunvegan (Upper Cretaceous) Sandstone at a depth of about 420 feet.

Considerable interest is being taken in the Granite Wash, a potential reservoir composed of granitic erosional detritus distributed over the pre-Paleozoic relief. Production has been taken from this horizon at a number of locations throughout the general area. The nearest to the reservation are the Shell Springburn No. 1 well and Shell Reno No. 16-25, which are approximately 18 miles to the east. Imperial Normandville No. 1, approximately 15 miles to the west, is a small Devonian D3 producer.

This is considered to be good wildcat acreage with possibilities for the Basal Cretaceous, Triassic, Permo-Penn, Mississippian, Devonian and post-Precambrian (Cambrian?) Granite Wash.

IMPERIAL FARMOUT—NORMANDVILLE AND TANGENT LEASES—

The Company has an option to obtain 40% interest in 42,877 acres.

This spread of leases lies south of Peace River and immediately west of Springburn Reservation No. 2009. One well drilled on the acreage, Imperial Normandville No. 1, found oil-bearing reef in the Devonian. Certain information suggested this well to be on the up-throw side of a fault and, accordingly, two follow-up wells were drilled on the same side of the fault. Both of these found off-reef facies in the potential zone and were abandoned on failing to find production. Another well, Jean Cote No. 1, was drilled on the down-faulted side and it, too, failed to find production. Gas production has been found in what is called the Tangent Gas Area. Several wells have been completed in the Lower Cretaceous (Gething) and the Triassic.

The structural and stratigraphic set-up is not thought to be a simple one and more work will be necessary before a tentative well location is indicated.

Possibilities for these leases exist in the Cadotte, Gething, Triassic, Permo-Penn, Mississippian, Devonian and Granite Wash.

This is fair to good wildcat acreage.

MITSUE LAKE RESERVATION No. 2075 (Twp. 2, Rge. 2, W. 5)—

The Company has 90% interest in 39,680 acres under option to Union Oil whereby that company may earn a 75% interest by drilling a well to the Leduc (D3).

This reservation lies roughly twelve miles east of Lesser Slave Lake in north central Alberta and approximately fifty-five miles north-west of the town of Athabasca.

No wells have been drilled on the acreage but a number have been drilled in the vicinity and have been abandoned. The most interesting of these is the Asher Smith No. 1 well (Lsd. 5-9-72-1, W. 5) two miles east of the reservation. No oil or gas shows were indicated, but salt water recoveries from the Viking zone, the Blairmore, the Wabamun (D1) and the Nisku suggest suitable reservoir conditions if structure is present.

The sedimentary section at this point is in the order of 5000+ feet of which roughly one-quarter are Mesozoics. These have been laid down in the so-called Elk Point Basin of Devonian age.

Despite disappointing results to date, chances exist in a number of horizons as follows: Viking Sandstone, Blairmore Sands, Wabamun, Nisku, and, possibly, the dolomites lying below the Elk Point. The possibilities of Devonian reefing and Granite Wash production cannot be discounted.

This is fair wildcat acreage in a reasonably accessible area with chances for production from a number of zones.

SAVANNA CREEK RESERVATIONS Nos. 2167 and 2168 (Twp. 12, Rge. 4, W. 5)—

The Company has 36.5% interest in 59,840 acres under seismic option to the Shell Oil Company whereby the latter may earn a 75% interest by drilling a well to 7,000 feet. This interest may be increased to 80% by additional expenditures.

This reservation lies approximately 38 miles west of the town of Claresholm, Alberta, and is back in the Rocky Mountains proper.

No wells have been drilled on the acreage. The nearest well (four miles north of the northeast corner) is Husky Northern Target Savanna Creek No. 1 (Lsd 12-40-14-4, W. 5) which was drilled on the western flank of an anticlinal feature known as the Livingstone Range. This well found economic gas in the Rundle and was completed as a gas well, with 52 MMcf per day from this zone. Another well, Savanna Creek No. 2 (Lsd 5-21-14-4, W. 5) was drilled and abandoned probably due to mechanical troubles as the rig was skidded to a new location.

The structural picture, though very incomplete, suggests the possibility of structures similar to that at Savanna Creek occurring beneath the acreage. However, considerable preliminary exploratory work will be necessary before any drilling location may be chosen. Difficulties should be anticipated due to the high topographical relief which may run up to 2,500 feet.

Though this acreage has merit, the present status and the amount of preliminary work necessary serve to decrease its value.

CARBONDALE RESERVATION No. 2010 (Twp. 6, Rge. 3, W. 5)—

The Company has 36.5% interest in 19,560 acres under seismic option to the Shell Oil Company, who can earn 65% interest by drilling a Madison test well.

This reservation lies immediately east of Reservation No. 2201, which follows. In this location it is in towards the mountains in the southwestern portion of Alberta, an area where the stratigraphic section is highly complicated due to extensive faulting, folding and overturning.

No wells have been drilled on or in the immediate vicinity of the reservation. The nearest production is the Pincher Creek gas field, some 30 miles to the east, which produces from the Mississippian Rundle.

Available surface geology (by the G.S.C.) touches along only the northern portion but indicates some anticlinal features which could logically extend south into the reservation.

Considerable expense will be involved in carrying out sufficient initial exploration to allow for a preliminary evaluation of the reservation. Accessibility may be somewhat of a problem with relief in the order of 1,000 feet. Also, predictions of subsurface stratigraphy and the structural dispositions of the formations at depth will be highly conjectural.

With the present status of the reservation and lack of information, only a nominal value per acre may be given.

COLEMAN RESERVATION No. 2201 (Twp. 7, Rge. 4, W. 5)—

The Company has 36.5% interest in 59,938 acres under seismic option to the Shell Oil Company whereby that company can earn a 75% interest on drilling a 7,000-foot test well.

This reservation lies along the British Columbia-Alberta interprovincial boundary and is astride of the Crowsnest Pass in southwest Alberta. The towns of Blairmore, Coleman and Carbondale are in the area.

The reservation lies within the so-called "Disturbed Belt" of southwestern Alberta where the subsurface picture is highly complex due to extensive faulting and folding. Selection of a location for drilling will be very difficult and expensive preliminary exploratory work will be necessary as a prelude.

While the acreage has chances for accumulations, it will be very difficult and expensive to adequately process it. As such, only a nominal value may be given.

EAST MANYBERRIES RESERVATION No. 2207 (Twp. 4, Rge. 4, W. 4)—

The Company has 50% interest in 20,000 acres subject to farmout to West Canadian Petroleum Limited whereby that company can earn a 75% interest by drilling a Bow Island test.

This reservation is eight miles southeast of the town of Manyberries.

No wells have been drilled on the acreage. However, fairly extensive drilling in the area has indicated that several horizons are potentially productive. The most widespread accumulations have been found in the Medicine Hat Gas Sand (Upper Colorado) and in the Bow Island Sand. Indications for potential production have been found in the Jurassic and, more recently, in the Basal Cretaceous (Sunburst Sandstone). The latter occurs in the Canadian Gas Export East Manyberries No. 5-32 well approximately six miles north of the reservation. The No. 5-32 well (Lsd 5-32-5-4, W. 4) flowed 38° A.P.I. oil at a rate of 335 barrels per day on a five-hour test in the Sunburst (Basal Cretaceous) Sandstone.

Structurally the acreage is on the eastern flank of the Sweetgrass Arch, a Tertiary age tectonic feature, and this is expected to have some effect on potential accumulations.

This acreage is considered to have good potentialities in the following zones: Medicine Hat Gas Sand, Bow Island Sand, Basal Colorado Sandstone, Basal Cretaceous (Sunburst) Sand, Rundle, Banff Sand and Jefferson.

ENTRANCE RESERVATION No. 2208 (Twp. 48, Rge. 25, W. 5)—

The Company has 50% interest in 39,603 acres subject to a farmout to Union Oil whereby that company has an option to earn a 75% interest by drilling a Madison test.

This reservation lies within the disturbed belt of west central Alberta, roughly 25 miles northeast of Jasper.

One well, Jasper No. 1, has been drilled within the acreage limits and was abandoned after faulting back from the Devonian to the Lower Cretaceous. No hydrocarbon shows were reported. This is the only well in the vicinity.

Due to extensive faulting and folding, the subsurface picture will be very complex. Great difficulty is anticipated in evaluating the acreage to the point where a drilling location may be picked. Additional problems are present due to topographic relief in the order of 2,000 feet. It is expected that a preliminary evaluation will be quite expensive. This problem, together with accessibility problems, allow a purely nominal value to be placed on the acreage.

FROG LAKE RESERVATION No. 2210 (Twp. 57, Rge. 1, W. 4)—

The Company has 50% interest in 80,000 acres subject to a farmout to Union Oil whereby that company has an option to earn a 75% interest by drilling a Cambro-Ordovician test well.

This reservation is in the low pressure gas, black oil belt of east central Alberta, some 36 miles north of the Bonnyville low gravity oil field.

No wells have been drilled on, or in the general area of, this reservation, the nearest production being the Elk Point gas area producing from the Basal Cretaceous sand.

This acreage lies on the western flank of a Mesozoic sedimentary basin with the attendant possibilities of up-dip sand pinchouts on the flank. There is the additional possibility of favourable accumulations in a dolomite lying below the Elk Point Salt.

This is fair to good black oil and low pressure gas acreage but preliminary work will be necessary before a well location may be indicated.

CROWSNEST CREEK RESERVATION No. 2235 (Twp. 7, Rge. 5, W. 5)—

The Company has 1¼% gross royalty on 19,827 acres.

This reservation is situated on the British Columbia-Alberta interprovincial boundary between the towns of Crowsnest and Corbin.

The acreage is situated in the mountainous area of southwestern Alberta where thrusting has superimposed the Paleozoic strata upon the Mesozoics in the eastern two-thirds. The subsurface picture will be highly complicated by faulting and folding with surface structures not necessarily persisting to depth. This serves to make picking a well location very difficult and considerable preliminary exploration will be necessary before this will be possible. Additional problems are encountered due to rugged terrain and tough drilling.

LOON LAKE RESERVATION No. 2209 (Twp. 86, Rge. 10, W. 5)—

The Company has 50% interest in 99,840 acres subject to a farmout to the Union Oil Co. whereby that company has the option to earn a 75% interest by drilling a Granite Wash test well or to 5,000 feet, whichever is the lesser.

This reservation is approximately 66 miles east and north of the town of Peace River.

No wells have been drilled on the acreage. Several wells have been drilled in the immediate vicinity and all went to the Granite Wash without finding production.

The acreage is situated over the so-called Elk Point Devonian Basin with a sedimentary thickness in the order of 5,000 feet. Devonian reefing has been indicated in the area in the Imperial Loon Lake well some two miles east of the reservation. Although this reef occurrence was water-bearing, there is the distinct possibility of additional occurrences, one or more of which could contain hydrocarbons. Despite the disappointing results from the Granite Wash in the general area, it is not felt that this potential horizon can yet be ruled out.

This is fair to good reservation acreage.

BREWSTER RESERVATION No. 2319 (Twp. 32, Rge. 12, W. 5)—

The Company has 1¼% gross royalty on 99,840 acres.

This reservation is roughly 70 miles west of the town of Olds, Alberta, and immediately west of the Rocky Mountains Forest Reserve.

No wells have been drilled on, or in the immediate vicinity of, this acreage which lies within the Rocky Mountains proper. Nothing is known concerning the surface geology of the area but extensive faulting and folding can be confidently expected. Considerable and, probably, expensive exploration may be necessary before a location can be picked on raw acreage such as this. Additional problems could arise due to accessibility.

This acreage is not without merit, but only a nominal value may be given.

LAWRENCE LAKE RESERVATION No. 2430 (Twp. 70, Rge. 25, W. 4)—

The Company has 2.5% gross royalty on 20,000 acres.

This acreage lies some 35 miles northwest of the town of Athabasca in north central Alberta.

While no wells have been drilled within the boundaries of the reservation, there are several relatively deep tests in the vicinity. The nearest, Imperial Grosmont No. 1, was drilled about 18 miles south and east of the reservation and found approximately 6,400 feet of sediments above the Precambrian.

Chances are thought to exist in the Mesozoics and the Devonian. There are also possibilities for the Granite Wash which lies immediately on the Precambrian.

This is fair acreage where accessibility is good and where prospects exist for economic accumulations.

TWIN DOME LEASE (N. ½ 9-22-1, W. 5)—

The Company has 100% interest in 320 acres subject to 15% gross royalty.

This lease of some 320 acres is approximately ten miles northwest of the Okotoks gas field which produces from the Wabamun (D1) member of the Devonian.

No wells have been drilled on the acreage. The nearest well, Royalite Dewinton No. 1 (Lsd. 14-16-21-1, W. 5) was drilled to the Mississippian (Rundle Formation) and abandoned on failing to find production. An uneconomic show of oil was found in the Basal Blairmore. The Royalite Dewinton No. 2 well (Lsd. 13-24-21-1, W. 5) went into the Devonian but did not find any oil or gas shows.

Considerable speculation has been made on the possibility of a general gas area extending from northeast of Calgary south at least as far as the Okotoks gas field which would place the acreage in a favourable position.

This is considered as good wildcat acreage with chances in the Belly River Sandstone, Cardium Sandstone, Jumping Pound Sandstone, Fish Scale Sandstone, Home Sandstone, Basal Blairmore, Jurassic Brown Sandstone, Rundle and the Devonian Jefferson.

CALLING VALLEY LEASES (N.E. ¼, 26-21-3, W. 5, and S. ½ 36-21-3, W. 5)—

The Company has 100% interest in 480 acres subject to 15% gross royalty.

These leases are approximately four miles northeast of the Turner Valley Mississippian oil field and some sixteen miles southwest of the city of Calgary.

No wells have been drilled on the acreage but several dry holes have been drilled in the general vicinity. The nearest well, Calling Valley No. 1 (Lsd. 6-24-21-3, W. 5) experienced considerable faulting in the Mesozoic section and was finally abandoned in the Rundle at a depth of 10,025 feet. One uneconomic show of gas occurred in the Rundle and flowed at 12 Mcf per day. The most important well in the general area, at this time, is the Shell Home Sarcee No. 1 (Lsd. 12-6-23-3, W. 5) which is a natural gas discovery well from the Rundle. A test indicated an initial potential of 52,000 Mcf per day with some condensate. The Sarcee well is roughly nine miles northwest of the acreage and is nearly on strike. There are possibilities of a structural trend existing which may involve these leases.

The general area is one of multi-zone possibilities for production with chances existing in the Belly River, Cardium, Jumping Pound Sandstone, Fish Scale Zone, Home Sand, Dalhousie, Jurassic Brown Sand and Mississippian. The Devonian is not discounted but it is at great depth.

This is good wildcat acreage.

ALEXANDER INDIAN RESERVE PERMIT (Twp. 55 at the 5th Meridian)—

The Company has 25% interest in 8,930 acres.

The Alexander Indian Reserve is some 20 miles west of the city of Edmonton, the acreage taking up the southern and western portions.

One well, Union Alexander No. 1 (Lsd 5-33-55-27, W. 4), has been drilled within the boundaries of the acreage. This well went to the Ireton (Green Shale) member of the Devonian but was abandoned on failing to find production. Water was recovered on drillstem tests from the Viking, Basal Quartz Sandstone, Wabamun and Nisku.

Since the Alexander No. 1 well was drilled, three gas wells have been found on the Indian reserve acreage to the north. All produce from the Basal Quartz. The most important of these is Mid-Western Alexander No. 6-16 (Lsd 6-16-56-27, W. 4) which had a calculated flow of 189,000 Mcf per day—a phenomenal rate for the plains area. Union Imperial Alexander No. 10-7 (Lsd 10-17-56-27, W. 4) was completed at the rate of 14,000 Mcf per day. A third well, Mid-Western Alexander No. 11-10 (Lsd 11-10-56-27, W. 4) is also an economic producer with an as yet undisclosed potential.

Sufficient photo-geology and seismic work has been done to indicate the presence of a "high" extending into the southwestern portion of the acreage. It is not known, positively, that this is a reflection of a Devonian high. There is also some suggestion of a basement fault trending across the Indian Reserve with the down-throw on the western side. This may have favourably affected the development of both the Viking and Blairmore sands.

The Wabamun, while not productive as yet, has had a number of promising shows in the general area and holds some promise.

There is the definite possibility of Devonian reefing and some seismic highs which may be the result. However, more work may have to be done to clarify the situation.

Thus far, the Blairmore has given the greatest encouragement in the general vicinity and a good play could develop on this horizon alone.

This is good wildcat acreage.

CONRAD LEASES (W. $\frac{1}{2}$ 1-5-16, W. 4 and W. $\frac{1}{2}$ 24-5-16, W. 4)—

The Company has 75% interest in 640 acres.

These two leases are approximately five miles west of the Conrad Jurassic field which has some sixteen wells capable of production. No recent development has taken place as a possible result of the marginal nature of the accumulation.

Structurally, the acreage lies on the northern flank of the Sweetgrass Arch and on the western flank of a subsidiary Mississippian nose which plunges to the north. Three wells have been drilled in the general area with the following results:

Conrad Province No. 75-25-D (Lsd 12-25-5-16, W. 4)—Abandoned. Went to Madison. Ran only one drillstem test. Recovered sulphur water from Ellis Sandstone (Jurassic).

Conrad Province No. 71-36-D (Lsd 4-36-5-16, W. 4)—Abandoned. Went to Madison. Ran two tests in Ellis Sandstone. Recovered 45 feet oily mud.

Evans Union Warner No. 13-10—Abandoned. Went to Madison. Ran tests and found water in the Taber Sandstone, Ellis Sand and the Madison.

This acreage has fair prospects for the Bow Island, Basal Cretaceous, Jurassic and Mississippian.

This is fair wildcat acreage.

LLOYDMINSTER LEASE (W. $\frac{1}{2}$ 10-49-27, W. 3)—

The Company has 75% interest in two wells.

The Company has 100% interest in 260 acres.

At the present time the two wells—Phillips Pete No. 5 (S.W. $\frac{1}{4}$ 4-10-49-27, W. 3) and Phillips Pete No. 1 (S.W. $\frac{1}{4}$ 5-10-49-27, W. 3)—have been shut in pending workovers due to water invasion. These two wells have produced 45,000 and 71,398 barrels respectively and are calculated to have a combined total of 50,000 barrels remaining recoverable reserves.

The remaining semi-proven acreage to the east of the two wells has chances for similar production from the Sparky Sandstone. However, there is the possibility of Pete No. 1 and Pete No. 5 having partially drained this area.

This is fair to good black oil acreage.

SUMMARY

Calalta Petroleum Ltd. has varying interests in approximately 690,000 acres in Alberta and 320 acres in Saskatchewan.

The greater majority of the acreage is in reservation form and under farmout option to several major companies. The remainder is held in conjunction with other companies.

Generally, the acreage tends to be in areas with good possibilities for oil and/or gas production. This is particularly true in the Alexander Indian Reserve areas. Strategic blocks are also held along the Alberta-British Columbia boundary where the major oil companies are showing increasing interest.

Two wells are owned in the Saskatchewan portion of the Lloydminster black oil field. They have been good producers in the past but are presently shut down pending workovers due to increasing water invasion. The remaining Lloydminster acreage is considered as having additional production possibilities.

Yours very truly,
for TRAFFORD & ASSOCIATES LTD.
"E. TRAFFORD."

JHL/db

CERTIFICATE

I, Edward Le Marchant Trafford, of Trafford & Associates Ltd., Wales Hotel Building, 10th Floor, Calgary, Alberta, hereby certify as follows:

1. I am a Consulting Engineer and reside at 302—38th Avenue S.W., Calgary, Alberta.
2. I graduated from Cambridge University in 1938 with the degree of Bachelor of Arts in General Engineering. I received my Master of Arts degree in 1942. I have been engaged in the technical side of the oil industry for 16 years in Canada, the United States, South America, Egypt and Roumania.
3. I am a member of the American Institute of Mining and Metallurgical Engineers, the Institute of Petroleum* of England, the Canadian Institute of Mining and Metallurgical Engineers, the Alberta Association of Petroleum Geologists and a Professional Engineer (Alberta).
4. Trafford & Associates Ltd. has no interest directly or indirectly, nor does it expect to receive any interest directly or indirectly, in the properties referred to in the accompanying report, nor in the securities of Calalta Petroleum Ltd.
5. The staff of Trafford & Associates Ltd. are conversant with the regional geology affecting the parcels discussed. Information has been obtained from The Petroleum and Natural Gas Conservation Board, various publications and the records of Calalta Petroleum Ltd.

for TRAFFORD & ASSOCIATES LTD.
"E. TRAFFORD", President.

June 30th, 1955.

DETAILS OF PROPERTY INTERESTS OF THE COMPANY

1. INTERESTS IN ALBERTA GOVERNMENT PETROLEUM AND NATURAL GAS RESERVATIONS:

Vicinity	Location	Acres	Percentage of Interest
Carbondale.....	Twps. 5 and 6, Rge. 3, W. 5th Mer.....	19,560	36.5%
Savanna Creek.....	Twps. 10 to 13, inclusive, Rges. 3 and 4, W. 5th Mer.....	59,840	36.5%
Coleman.....	Twps. 5 to 8 inclusive, Rges. 3 to 5 inclusive, W. 5th Mer.....	59,938	36.5%

The foregoing Reservations, comprising altogether 139,338 acres, have been farmed out to Shell Oil Company on the following terms:

CARBONDALE: Shell has an option to earn an undivided 65% interest in this reservation by drilling a well, at its own cost, to test the Madison Lime, or to a depth of 7500 feet, whichever is the shallower. The said well must be drilled while the lands are held in reservation form, and Shell in the meanwhile is required, at its own cost, to carry on seismic exploration, and to pay all governmental fees to keep the reservation in good standing.

SAVANNA CREEK: Shell has an option to earn an undivided 75% interest in this reservation by drilling a well, at its own cost, to a depth of 7,000 feet. If such test well is drilled to a greater depth, Shell will earn an additional one-half of 1% for every \$10,000.00 of drilling cost below 7,000 feet, but shall not acquire a total interest of more than 80% in any event. The test well must be drilled while the lands are still in reservation form, and in the meanwhile, all exploration costs and renewal fees must be paid by Shell.

COLEMAN: The terms of the farmout agreement to Shell are the same as those applying to the Savanna Creek reservations, *supra*.

Vicinity	Location	Acres	Percentage of Interest
Mitsue Lake.....	Twps. 71 and 72, Ranges 2 and 3, W. 5th Mer.	39,680	90%

This Reservation has been farmed out to Union Oil Company of California on terms whereby Union may earn a 75% interest in the reserved lands by drilling a well to test the D-3 formation, or its equivalent, or to a depth of 4,000 feet, whichever is the lesser. After Union has earned its said interest, Calalta will retain a 22.5% working interest in the reserved lands or the leases taken out thereunder. If commercial production is obtained at the above depth, or if the well is drilled to a deeper horizon and commercial production is found at such greater depth, Calalta will be liable to pay 22.5% of the cost of completing the well and of the cost of drilling below 4,000 feet; or, in the alternative, Calalta's share of such cost may be taken out of its share of production on a penalty basis of double its share of such costs. All exploration costs and renewal fees must be paid by Union.

Vicinity	Location	Acres	Percentage of Interest
Frog Lake.....	Twps. 56 and 57, Rges. 1 and 2, W. 4th Mer.	80,000	50%

This Reservation is also under farmout to Union Oil Company of California on terms whereby Union may earn a 75% interest in the reserved lands by the drilling of a test well to test the Winnipeg sand (Ordovician) or to a depth 4,500 feet, whichever is the lesser. In the meanwhile all costs of exploration work and renewal rentals are to be borne by Union. If Union earns its interest, Calalta will retain an undivided 12½% working interest in the leases taken out under the Reservation. In other respects the terms of the farmout agreement are the same as those applying to the Mitsue Lake reservation above.

Vicinity	Location	Acres	Percentage of Interest
Entrance.....	Twps. 48 and 49, Rges. 25 to 27, W. 5th Mer.	39,603	50%

This Reservation is also under farmout to Union Oil Company of California on similar terms to those applying to Frog Lake, above, except that Union, in order to earn its 75% interest must drill to a depth to test the Madison Line, or to a depth of 5,000 feet, whichever is the lesser. The working interest of Calalta, after Union has earned its interest, will be the same as that applying to the Frog Lake reservation above.

Vicinity	Location	Acres	Percentage of Interest
Loon Lake.....	Twps. 85 to 88 inclusive, Rges. 9 to 11 inclusive, W. 5th Mer.....	99,840	50%

This Reservation is also under farmout to Union Oil Company of California on terms whereby Union may earn a 75% interest in the reserved lands by drilling a test well to penetrate the Precambrian Basement Rocks, or to a depth of 5,000 feet, whichever is the lesser. If Union earns its interest, Calalta will retain a 12½% working interest in the said lands, or any leases taken out thereunder.

In other respects the farmout agreement is in the same terms as apply to the Mitsue Lake Reservation above.

Vicinity	Location	Acres	Percentage of Interest
East Manyberries.....	Twp. 4, Rges. 4 and 5, W. 4th Mer.....	20,000	50%

This Reservation is under farmout to West Canadian Petroleums Ltd., on terms whereby West Canadian is firmly committed to drill a well to test the Bow Island sand, or to a depth of 3,000 feet, whichever is the lesser, and, in the meanwhile, at its own cost, to pay all exploration costs and reservation renewal rentals. West Canadian will earn a 75% interest in the reserved lands and, after such interest has been earned, Calalta will own a 12½% working interest in the said Reservatuon.

If West Canadian should decide to drill the test well to a greater depth than 3,000 feet, West Canadian must defray the cost of such deeper drilling *unless* commercial production is thereby obtained. In the event that commercial production is obtained, Calalta will become liable to pay 12½% of the cost of drilling below 3,000 feet, and of completing the well as a producer, or, in the alternative, suffer a penalty of double Calalta's share of such costs, to be taken out of Calalta's share of production from the said well.

Vicinity	Location	Acres	Percentage of Interest
Springburn.....	Twps. 79 and 80, Rges. 19 and 20, W. 5th Mer.	39,680	40%

Negotiations are now being conducted to farm out this Reservation to a strong, independent company.

2. INTERESTS IN INDIAN LANDS PERMITS:

Vicinity	Location	Acres	Percentage of Interest
Alexander Indian Reserve	Twps. 55 and 56, Rge. 27, W. 4th Mer.; and Rge. 1, W. 5th Mer.....	8,930	25%

Farmout agreement now being negotiated.

Vicinity	Location	Acres	Percentage of Interest
Blood Indian Reserve.....	Twp. 6, Rge. 25, W. 4th Mer.....	12,540	40%

3. INTEREST IN LANDS UNDER OPTION:

<i>Vicinity</i>	<i>Location</i>	<i>Acres</i>	<i>Percentage of Interest</i>
Normandville-Springburn Area.....	Twps. 75 to 80 inclusive, Rges. 21 to 23 inclusive, W. 5th Meridian	42,877 (net acres)	40%

Imperial Oil Ltd. owns Crown lease blocks, comprising 85,754 acres, lying to the west and northwest of the Springburn reservation.

Calalta has acquired from Canada Oil Lands Ltd. a 40% interest in an option granted by Imperial Oil Ltd. to Canada Oil Lands whereby the latter company can earn title to leases comprising one-half of the Imperial lands by carrying out certain drilling operations. The period of the option is for two years from January 25th, 1955.

Consideration is now being given to farming out the Springburn Reservation and the Imperial optioned lands to another company on a basis whereby such company will, at its own cost, assume the drilling obligations under the Imperial option-agreement. While this will reduce Calalta's interest in the lands aforesaid, it will relieve Calalta from substantial risk expenditures, and conserve Calalta's working capital.

NOTE—Under the regulations applicable to the said Petroleum and Natural Gas Reservations, the holder is required to carry on exploratory geological work to the satisfaction of the Minister of Mines and Minerals, and subject to compliance with the regulations, the lands can be held under a Reservation for a period of two years from the date thereof. If, at the expiration of two years, the holder is carrying on exploration work, by the drilling of test wells, the Reservation may be further extended for such periods as may be granted by the said Minister.

Upon the termination of the Reservation, the holder thereof is entitled to acquire 50% of the lands comprised therein under lease. Upon application for such leases, part of the expenditures theretofore made for exploratory work may be credited in payment of the first year's rentals payable under the leases granted.

The Dominion Regulations relating to Permits on Indian Lands may be renewed from time to time by the Minister of Citizenship and Immigration so long as exploratory work satisfactory to him is being proceeded with. Upon the termination of a Permit, the holder thereof is entitled to take leases comprising one-half of the lands covered by the Permit.

All the foregoing Petroleum and Natural Gas Reservations and Indian Land Permits are in good standing.

4. INTERESTS IN CROWN LEASES IN ALBERTA:

<i>Vicinity</i>	<i>Location</i>	<i>Royalty</i>	<i>Acres</i>	<i>Percentage of Interest</i>
Springburn.....	N. 1/2s Secs. 28 and 29, Secs. 32 and 33, in 80-20, W. 5th M.....	Crown	1,919	40%
Springburn.....	Sec. 33 and W. 1/2 of 34 in Rge. 80-19, W. 5th M.....	Crown	960	40%
Springburn.....	N.W. 1/4 of 4 and N.E. 1/4 of 5 in Rge. 79-20, W. 5th M.....	Crown	322	40%
Springburn.....	N.W. 1/4 of 5 and N.E. 1/4 of 6 in Rge. 79-20, W. 5th M.....	Crown	322	40%
Springburn.....	N.W. 1/4 of 3 and N.E. 1/4 of 4 in Rge. 79-20, W. 5th M.....	Crown	322	40%
Springburn.....	N. 1/2 Sec. 31-78-20, W. 5th M.....	Crown	323	40%
Calling Valley..	N.E. 1/4, Sec. 26-21-3, W. 5th M.....	Crown	160	100%
Calling Valley..	S. 1/2 Sec. 36-21-3, W. 5th M.....	Crown	320	100%
Conrad.....	W. 1/2 Sec. 24-5-16, W. 4th M.....	Crown	320	75%
Conrad.....	W. 1/2 Sec. 1-5-16, W. 4th M.....	Crown	320	75%

5. FREEHOLD LEASE:

<i>Vicinity</i>	<i>Location</i>	<i>Royalty</i>	<i>Acres</i>	<i>Percentage of Interest</i>
Okotoks.....	N. 1/2 Sec. 9-22-1, W. 5th M.....	15%	320	100%

6. SASKATCHEWAN:

<i>Vicinity</i>	<i>Location</i>	<i>Acres</i>	<i>Percentage of Interest</i>
Lloydminster.....	W. 1/2 Sec. 10-49-27, W. 3rd M.....	320	100%—Crown Royalty, plus royalties referred to in accompanying note.

NOTE—Crown lease held under sub-lease from Crown lessees. Two wells in which Calalta holds a 75% interest have been drilled on L.S.D's 4 and 5; 25% of the net proceeds of production after payment of all royalties and operating expenses being payable to one, Cecil Bradshaw.

The S.W. 1/4 of said section is subject to a gross over-riding royalty of 5%, in addition to Crown royalty. The N.W. 1/4 of the said section is subject to a gross over-riding royalty of 7%, in addition to Crown royalty.

7. ROYALTY INTERESTS IN ALBERTA GOVERNMENT P. & N. G. RESERVATIONS:

<i>Vicinity</i>	<i>Location</i>	<i>Acres</i>	<i>Royalty of Interest</i>
Crow's Nest Creek.....	Twps. 6, 7 and 8 in Rges. 5 and 6, W. 5th Mer.	19,827	1 1/4%

This Reservation is held by West Canadian Petroleums Ltd. and is under exploration by that company. Calalta holds a 1 1/4% gross over-riding royalty in any oil or gas produced, saved and marketed from any wells hereafter drilled by West Canadian, or any assignee of West Canadian, on the reserved lands, or on any leases taken out by West Canadian from the said Reservation.

<i>Vicinity</i>	<i>Location</i>	<i>Acres</i>	<i>Royalty Interest</i>
Brewster.....	Twps. 32, 33 and 34, in Rges. 11, 12 and 13, W. 5th Mer.....	99,840	1 1/4%

This Reservation is held by Canadian Homestead Oils Limited, and is under exploration by that company. Calalta holds a gross over-riding royalty of 1 1/4% in any oil or gas produced, saved and marketed from any wells drilled by Canadian Homestead, or any assignee of that company, on the reserved lands, or any leases taken out from the said Reservation.

<i>Vicinity</i>	<i>Location</i>	<i>Acres</i>	<i>Royalty Interest</i>
Lawrence Lake.....	Twp. 70, in Rges. 24 and 25, W. 4th Mer.....	20,000	2 1/2%

This Reservation is held by Hudson's Bay Oil and Gas Co. Ltd. Calalta holds a gross over-riding royalty of 2 1/2% of the proceeds of production of all oil or gas produced, saved and marketed from any wells drilled by Hudson's Bay, or any assignee of Hudson's Bay, on the reserved lands, or any leases taken out from the said Reservation. (This royalty was acquired since the date of the last Annual Report.)

8. SHARE INTERESTS IN CANADA OIL LANDS LTD.:

The Company owns 75,000 shares of Canada Oil Lands Ltd., and also Share Subscription Warrants of that Company for 25,000 shares. The shares and warrants of Canada Oil Lands Ltd. are listed on the Toronto Stock Exchange, as well as on the Canadian Stock Exchange, Montreal, and the Calgary and Vancouver Stock Exchanges.

This Filing Statement is a reproduction of the original filed with the Exchange by the Company and is issued for information purposes only. The Exchange has neither approved nor disapproved the information contained therein, nor the material change set out in Item 2 below.

TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 85
ACCEPTED FOR FILING JUNE 25, 1958.

CALALTA PETROLEUMS LTD.

Full corporate name of Company
Incorporated under The Companies Act of Alberta by certificate of Incorporation dated June 21st, 1948.

Particulars of incorporation (e.g., Incorporated under Part IV of The Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957)

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Head office address and any other office address.	602 Bamlett Building, 630 - 8th Avenue S.W., Calgary, Alberta.																																													
2. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Underwriting comprising an undertaking of Gulf Securities Corporation Ltd., Montreal, P.Q., to take up and pay for in cash, forthwith, 125,000 shares of Company's capital stock at 70¢ per share in consideration for (a) an option to purchase a further 125,000 shares at 70¢ per share on or before Sept. 17, 1958; and (b) a further option to purchase an additional 150,000 shares at \$1.00 per share on or before Dec. 17, 1958; subject to the usual acceleration clauses.																																													
3. Names, addresses and chief occupations for the past five years of officers and directors.	<table border="1"> <thead> <tr> <th colspan="2">DIRECTORS</th><th>Chief Occupation for the past five years</th></tr> <tr> <th>Name</th><th>Address</th><th></th></tr> </thead> <tbody> <tr> <td>Mr. Paul A. Beique</td><td>615 Dunlop Ave., Outremont 8, PQ</td><td>Civil Engineer</td></tr> <tr> <td>Mr. E. M. Freeman</td><td>685 Rockland Ave., Outremont 8, PQ</td><td>Executive</td></tr> <tr> <td>Mr. Jean Beique</td><td>757 Cote Place D'Armes, Montreal, PQ</td><td>Civil Engineer</td></tr> <tr> <td>Dr. F. G. Beall</td><td>5327 Queen Mary Rd., Montreal, PQ</td><td>Physician</td></tr> <tr> <td>Mr. C. S. Blanchard, QC</td><td>602 Bamlett Bldg., Calgary, Alta</td><td>Barrister-at-Law</td></tr> <tr> <td>Mr. Maurice Corbeil</td><td>491 Stuart Ave., Outremont 8, PQ</td><td>Corporation Executive</td></tr> <tr> <td>Mr. Jean Leman</td><td>1510 Drummond St., Montreal, PQ</td><td>Corporation Executive</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">OFFICERS</th></tr> <tr> <th></th><th></th></tr> </thead> <tbody> <tr> <td>President</td><td>Mr. Paul A. Beique See above</td></tr> <tr> <td>Vice-Pres.</td><td>Mr. E. M. Freeman See above</td></tr> <tr> <td>Vice-Pres.</td><td>Mr. A. G. Donaldson, 603 Bamlett Bldg., Calgary. Professional Engr.</td></tr> <tr> <td>Sec.-Treas.</td><td>Mr. C. S. Blanchard QC See above</td></tr> <tr> <td>Asst. Sec.-Trea.</td><td>Mr. Norman R. Iredale 602 Bamlett Bldg., Calgary Barrister-at-Law</td></tr> <tr> <td>Asst. Sec.-Trea.</td><td>Mr. D. W. Hilland 602 Bamlett Bldg., Calgary Barrister-at-Law</td></tr> <tr> <td>Asst. Sec.-Trea.</td><td>Miss Evelyn Wallace 602 Bamlett Bldg., Calgary Stenographer</td></tr> </tbody> </table>	DIRECTORS		Chief Occupation for the past five years	Name	Address		Mr. Paul A. Beique	615 Dunlop Ave., Outremont 8, PQ	Civil Engineer	Mr. E. M. Freeman	685 Rockland Ave., Outremont 8, PQ	Executive	Mr. Jean Beique	757 Cote Place D'Armes, Montreal, PQ	Civil Engineer	Dr. F. G. Beall	5327 Queen Mary Rd., Montreal, PQ	Physician	Mr. C. S. Blanchard, QC	602 Bamlett Bldg., Calgary, Alta	Barrister-at-Law	Mr. Maurice Corbeil	491 Stuart Ave., Outremont 8, PQ	Corporation Executive	Mr. Jean Leman	1510 Drummond St., Montreal, PQ	Corporation Executive	OFFICERS				President	Mr. Paul A. Beique See above	Vice-Pres.	Mr. E. M. Freeman See above	Vice-Pres.	Mr. A. G. Donaldson, 603 Bamlett Bldg., Calgary. Professional Engr.	Sec.-Treas.	Mr. C. S. Blanchard QC See above	Asst. Sec.-Trea.	Mr. Norman R. Iredale 602 Bamlett Bldg., Calgary Barrister-at-Law	Asst. Sec.-Trea.	Mr. D. W. Hilland 602 Bamlett Bldg., Calgary Barrister-at-Law	Asst. Sec.-Trea.	Miss Evelyn Wallace 602 Bamlett Bldg., Calgary Stenographer
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4. Share capitalization showing authorized and issued and outstanding capital.	Authorized capital \$1,250,000 divided into 5,000,000 shares having par value of 25¢ per share; issued and outstanding 3,500,005 shares.																																													
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding or proposed to be issued.	Consideration is being given by the directors of the Company to arranging a production loan from a chartered Canadian Bank for approximately \$100,000.00.																																													
6. Names, addresses and shareholding of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table border="1"> <tbody> <tr> <td>Arfred & Co., Room 120 - 1405 Peel St., Montreal, Quebec.</td> <td>436,076</td> <td>(Nominee of Gulf Securities Corporation Ltd., which advises that it no longer has any interests in a good number of shares so registered as many shares are covered by share certificates now trading in street form).</td> </tr> <tr> <td>Cains & Co., C/o Bank of Montreal, Drummond & St. Catherine Sts., 1205 St. Catherine St. West, Montreal, Quebec.</td> <td>311,667</td> <td>nominee of Bank of Montreal Beneficial owner not known</td> </tr> <tr> <td>Phillips Oil Company Limited 602 Bamlett Building, Calgary, Alberta</td> <td>226,800</td> <td>Beneficial owner</td> </tr> <tr> <td>Gunther & Co., 15 Nassau St., New York N.Y.</td> <td>176,600</td> <td>(Nominee for Swiss Bank Corporation of same address). Beneficial owner Selkirk S.A., controlled by F. C. Rubbra</td> </tr> <tr> <td>Paul A. Beique, 615 Dunlop Street, Outremont 8, Quebec.</td> <td>42,200</td> <td>Beneficial owner</td> </tr> </tbody> </table>	Arfred & Co., Room 120 - 1405 Peel St., Montreal, Quebec.	436,076	(Nominee of Gulf Securities Corporation Ltd., which advises that it no longer has any interests in a good number of shares so registered as many shares are covered by share certificates now trading in street form).	Cains & Co., C/o Bank of Montreal, Drummond & St. Catherine Sts., 1205 St. Catherine St. West, Montreal, Quebec.	311,667	nominee of Bank of Montreal Beneficial owner not known	Phillips Oil Company Limited 602 Bamlett Building, Calgary, Alberta	226,800	Beneficial owner	Gunther & Co., 15 Nassau St., New York N.Y.	176,600	(Nominee for Swiss Bank Corporation of same address). Beneficial owner Selkirk S.A., controlled by F. C. Rubbra	Paul A. Beique, 615 Dunlop Street, Outremont 8, Quebec.	42,200	Beneficial owner																														
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7. Details of any treasury shares now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	There are no treasury shares now subject to any underwriting, sale or option agreement save the proposed underwriting and option agreement referred to in paragraph 2 above.																																													
8. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Gulf Securities Corporation Limited, Room 210, 1405 Peel St., Montreal, is presently acquiring the committed shares and options for its own account. Gulf Securities Corporation Limited is owned and controlled by Selkirk S.A., which is in turn controlled by F. C. Rubbra.																																													
9. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	No shares are held in escrow or under pooling agreement to the knowledge of the Company.																																													
10. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	N. A.																																													

FINANCIAL STATEMENTS

CALALTA PETROLEUMS LTD.

Balance Sheet for Period January 1, 1958 to May 31, 1958

Assets		Liabilities	
Current assets:		Current Liabilities:	
Cash	\$92,171.31	Accounts payable	\$30,000.98
Interest bearing collateral trust note including accrued interest	100,120.00	Total current liabilities	30,000.98
Total current assets	192,291.31	Shareholders' equity:	
Investment in shares and share warrants of Canada Oil Lands Ltd. - at cost (valuation based on market quotation \$211,250.00)	226,245.84	Common shares of a par value of 25¢ per share Authorized 5,000,000 shares; out- standing 3,500,005 shares	\$875,001.25 625,000.00 1,500,001.25
Refundable reservation and drilling deposits	7,485.00	Premium of shares	446,055.77
		Deficit	1,053,945.48
Fixed Assets:			
Non-producing petroleum and natural gas leases, reservations, permits and interests therein - at cost	\$468,425.83		
Capped gas wells - at cost	33,407.30		
	501,833.13		
Producing petroleum and natural gas leases, intangible devel- opment and equipment thereon, at cost	\$213,936.33		
Less allowance for deprec- iation and depletion	59,123.39		
	154,812.94		
	656,646.07		
Furniture - at cost	590.70		
Automobile - at cost	1,375.00		
	1,965.70		
Less allowance for depreciation	687.46		
	1,278.24		
	657,924.31		
	\$1,083,946.46		
			\$1,083,946.46

Certified true on behalf of the Board of Calalta Petroleums Ltd.

"Paul A. Beique" *Paul A. Beique*, Director
"C. S. Blanchard, Q.C." *C. S. Blanchard*, Director

Statement of Earnings Five months ended May 31, 1958.

Income:		
Sales of crude oil		\$ 14,853.19
Less:		
Lease operating expenses	\$ 4,920.64	
Peace River Office expense	757.74	
Depreciation on production equipment	2,539.51	
Depletion	7,970.00	16,187.89
		(1,334.70)
General and administrative expenses:		
Executive Salaries	3,720.64	
Directors' fees	850.00	
Management, secretarial fees and office services	6,980.00	
Advisory services	5,000.00	
Office rent	662.50	
Insurance	213.93	
Postage	45.00	
Printing and stationery	182.30	
Taxes, licenses and fees	141.82	
Telephone and telegraph	207.11	
Travelling expenses	430.43	
Trustees' and Agency fees	284.63	
Depreciation on furniture and fixtures	39.88	
Depreciation on automobile	120.31	
General expenses	714.08	19,592.63
		20,927.33
Other charges:		
Lease rentals	8,586.21	
Reservation and permit renewal fees	1,456.30	10,042.51
		30,969.84
Other income:		
Interest income		1,673.42
Net Loss		\$29,296.42

Statement of Deficit Five months ended May 31, 1958

Balance December 31, 1957	\$416,759.35
Add net loss for five months ended May 31, 1958	29,296.42
Balance May 31, 1958	\$446,055.77

Certified true on behalf of the Board of Calalta Petroleums Ltd.

"Paul A. Beique" *Paul A. Beique*, Director
"C. S. Blanchard, Q.C." *C. S. Blanchard*, Director

CALALTA PETROLEUMS LTD.

Statement of Sources and Disposition of Funds
Five months ended May 31, 1958

Funds provided by:	
Taken from working capital	\$49,664.79
Refundable reservation deposit returned	5,465.00
(Note: \$14,853.19 received by way of Crude Oil Sales accounted for in Statement of Earnings)	
	<hr/>
	\$55,129.79
	<hr/> <hr/>
Funds applied to:	
Payment of excess of operating costs over revenues, general and administrative expenses, lease rentals and other operations on lands	\$18,626.72
Capital expenditures on wells	36,503.07
	<hr/>
	\$55,129.79
	<hr/> <hr/>

Certified true on behalf of the Board of Calalta Petroleum Ltd.

"Paul A. Beique" *Paul A. Beique* Director
 "C. S. Blanchard, Q.C." *C. S. Blanchard* Director

CALALTA PETROLEUMS LTD.

CERTIFICATE.

We hereby certify that there have been no material changes to date hereof in the items on the Balance Sheet, submitted for the period January 1, 1958 to May 31, 1958; and we further certify that there have been no material receipts or expenditures received, made or incurred during the period May 31, 1958 to date hereof.

DATED at the City of Calgary in the Province of Alberta, this 20th day of June, 1958.

CALALTA PETROLEUMS LTD.

"Paul A. Beique" *Paul A. Beique* President & Director
 "C. S. Blanchard, Q.C." *C. S. Blanchard* Secretary-Treasurer & Director.

11. Brief statement of company's chief development work during past year.	<p>During the past period of approximately one year Company has actively participated in exploration and drilling operations on block of lands covering approximately 170,000 acres in Normandville-Springburn area, Alberta, (Operator, Colorado Oil and Gas Ltd.), Company has undivided interest therein ranging from 12% to 16%; seven wells drilled with commercial production in five; one additional well successfully reworked; seismic and other exploratory programmes carried out; one further well currently drilling.</p> <p>Company participated, with its partners, in exploratory work on P. & N.G. Reservation, Kananaskis, Alberta, comprising 97,786 acres in which Company has 37½% undivided interest.</p> <p>Extensive exploratory work is being conducted on approximately 650,000 acres of land in Alberta in which Company has various undivided interests by the various farmes who are operating such lands at no cost to Company. Included in such farmout lands are approximately 160,000 acres in the foothills belt of Alberta. Shell Oil Company is currently engaged in drilling Shell-Calalta-Carbondale 6-12 at no cost to Company in order to earn interest in portion of such farmout lands.</p>
12. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p>Company will continue active participation in Normandville area (Operator, Colorado Oil and Gas Ltd.) to the extent of its undivided interest therein ranging from 12% to 16%. Exploratory work, including seven to eight wells, is projected for the next 12 months, though dependant upon progressive results and information obtained from work and wells, Company's share of such exploration and drilling costs may amount to \$160,000.00 in this period.</p> <p>If successful farmouts are not concluded on certain other lands, Beaver River (P. & N.G. Reservation covering 40,000 acres - Company's interest 37½%), and Kananaskis, Alberta, (P. & N.G. Reservation comprising 97,786 acres - Company's interest 37½%), it will be necessary for the Company to bear its proportionate share of exploration costs estimated at \$12,000.00 to \$15,000.00. It appears that extensive exploratory and geophysical work will continue on almost all of the approximate 650,000 acres of farmed-out lands in which the Company has an interest, by the various farmes at no expense to this Company. Proceeds of sale of shares referred to in item 6 supra will be used in connection with the development plans referred to herein, rentals and general operating expenses.</p>
13. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Company owns 100,000 shares of Canada Oil Lands Ltd. and 25,000 share subscription warrants. (See Assets - Balance Sheet)
14. Brief statement of any lawsuits pending or in process against company or its properties.	None
15. Names and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The Board of Directors are elected by a majority vote of common shares represented at company's Annual Meetings. Gulf Securities Corporation Limited may be able to affect control of the company if it is able to obtain sufficient proxies from shareholders.
16. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
17. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	None
18. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.
19. Statement of any other material facts and if none, so state.	None

DATED June 19th, 1958.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 2 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"Paul A. Beique"

Per: *Paul A. Beique*
President and Director

CORPORATE

"C. S. Blanchard, Q.C."

Per: *C. S. Blanchard*
Secretary-Treasurer and Director

SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 2 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

GULF SECURITIES CORPORATION LTD.

Per: *W. H. G. G. G.*

Per: *John W. Cook*

TORONTO STOCK EXCHANGE

FILING STATEMENT No. 721,
FILED, APRIL 12th. 1962.

CALALTA PETROLEUMS LTD.

Full corporate name of Company
Incorporated under The Companies Act of Alberta by Certificate
of Incorporation dated June 21st, 1948.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 85.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Sale of all of Company's holdings of Canada Oil Lands Ltd. shares comprising 100,000 common shares to J. Arthur Cassidy Ltd., acting as agent for Bralorne Pioneer Mines Limited (N.P.L.) at \$1.06 per share.
2. Head office address and any other office address.	801 - 736 - Eighth Avenue, S.W., Calgary, Alberta.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>DIRECTORS</p> <p>Mr. Adam G. Donaldson 815 - 736 - 8th Avenue, West, Professional Engineer Calgary, Alberta.</p> <p>Mr. Kenneth W. Gebbie 2250 - Hingston Avenue, Corporation Executive Montreal, P.Q.</p> <p>Mrs. Jean W. Cook 10 - Lakeshore Drive, Secretary Beaconsfield, P.Q.</p> <p>Mr. Edwin M. Freeman 685 - Rockland Avenue, Corporation Executive Outremont 8, P.Q.</p> <p>Mr. Maurice Corbeil 491 - Stuart Avenue, Mfg. firm Executive Outremont 8, P.Q.</p> <p>Mr. Peter A. Salm 230 - Park Avenue, Businessman New York 17, N.Y.</p> <p>OFFICERS</p> <p>President - Mr. Adam G. Donaldson See above</p> <p>Ex. Vice-Pres. - Mr. Kenneth W. Gebbie See Above</p> <p>Sec.-Treas. - Mr. Norman R. Iredale 801 - 736 - Eighth Avenue, West, Barrister-at-law Calgary, Alberta.</p> <p>Asst. Sec.-Treas. - Mr. Douglas W. Hilland 801 - 736 - Eighth Avenue, West, Barrister-at-law Calgary, Alberta.</p> <p>Asst. Sec.-Treas. - Mrs. Jean W. Cook See above</p>
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized capital of the Company consists of 5,000,000 shares having a par value of \$0.25 per share of which 3,750,005 are presently issued and outstanding.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None outstanding or proposed to be issued.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Company has granted incentive options to its President and Manager and to its Secretary and Treasurer in the amounts of 25,000 and 24,000 shares, respectively, at a price of \$0.42 per share exercisable on or before May 29, 1963.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Options mentioned in paragraph 6 are held by Adam G. Donaldson and Norman R. Iredale, respectively.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No commission, finders fee or other payment has been or will be paid by the Company to any person, firm or corporation in connection with the sale of the Canada Oil Lands Ltd. shares.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The \$106,000.00 received by the Company from the sale of the 100,000 shares of Canada Oil Lands Ltd. will be used to defray the Company's accrued share of participation in two wells which have been drilled in the Waterton Gas Field in Southern Alberta, consisting of approximately \$55,000.00 in connection with the recently completed non-productive Shell-Calalta-Waterton 7-14 well and a further amount of approximately \$55,000.00 in settlement of the Company's share of drilling obligations in connection with the Shell-Calalta-Carbondale 6-12 gas well in the event that it can be arranged with Shell Oil Company of Canada, Limited, as operator to pay off the Company's share of the 6-12 well in cash in lieu of payment out of production on penalty provisions and to carry on the general operations of the Company including the current operations in connection with the mentioned 6-12 well, lease maintenance and such participation in other operations as may appear desirable to the Company's management from time to time.

APR 24 1962

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FINANCIAL STATEMENTS

CALALTA PETROLEUMS LTD.

Balance Sheet
February 28, 1962

<u>Assets</u>		<u>Liabilities</u>	
Current assets:		Current liabilities (Note 1):	
Cash in bank		Accounts payable	\$ 47,118.94
Accounts receivable			
Total current assets	31,625.62	Total current liabilities	47,118.94
Investment in shares of Canada Oil Lands Ltd. - at cost less write down of \$87,461.84 (Note 3)	106,000.00	Shareholders' equity:	
Refundable reservation and drilling deposits	4,722.50	Common shares of a par value of 25 cents per share. Authorized 5,000,000 shares; outstanding 3,750,005 shares (Note 2)	\$ 937,501.25
		Premium on shares	737,500.00
Fixed assets:		Deficit	1,675,001.25
Producing petroleum and natural gas leases, intangible development and equipment thereon - at cost	\$ 369,680.01		1,025,526.79
Less allowance for depreciation and depletion	127,008.22		
	242,671.79		
Non-producing petroleum and natural gas leases and reservations, including geological and geophysical expenses thereon - at cost	311,079.68		
Furniture - at cost	\$ 778.62		
Automobile - at cost	1,375.00		
Less allowance for depreciation	2,153.62		
	1,659.81		
	493.81		
	554,245.28		
			\$ 696,593.40

Certified True and Signed on behalf of the Board:
[Signature] Director
[Signature] Director

See accompanying notes to the balance sheet.

Notes to the Balance Sheet
February 28, 1962

1. The company is a participant in a joint venture resulting in the drilling of a gas well which is in the process of being put on production. The company's percentage of the amount initially billed by the operator is \$108,629.50 but it is the company's contention that its share is materially less than this amount. Subsequent work on the well has resulted in additional minor billings. If the company does not pay its percentage of the costs of this well, the operator in lieu thereof may recover 200% of such costs out of the company's share of production under a penalty clause. In view of the nature of this claim no provision has been made in the accompanying balance sheet in respect thereto.
2. The company has granted stock options to its general manager and secretary-treasurer giving the grantees the right to purchase 25,000 and 24,000 shares in the capital stock of the company, respectively, at 42 cents per share, exercisable until May 29, 1963.
3. Subsequent to February 28, 1962 the company sold its investment in shares of Canada Oil Lands Ltd. for \$106,000.00 cash.

CALALTA PETROLEUMS LTD.

Statement of Source and Application of Funds
Fourteen Months ended February 28, 1962

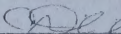
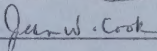
Funds provided by:

Taken from working capital	\$ 47,199.43
Refund of reservation deposit	1,250.00
Proceeds from sale of petroleum and natural gas leases	1,284.00
Proceeds on disposal of production equipment	<u>2,686.64</u>
	<u>\$ 52,420.07</u>

Funds applied to:

Payment of excess of lease operating expenses, general and administrative expenses, lease rentals and other operating expenses over revenues:	
Net loss fourteen months ended February 28, 1962	\$ 228,331.28
Deduct non-cash items included in net loss:	
Loss on sale of petroleum and natural gas leases	\$ 4,735.34
Leases and reservation abandoned	64,487.88
Dry hole	42,184.12
Write down of investment	87,461.84
Depreciation	5,831.44
Depletion	<u>13,633.26</u>
	<u>218,333.88</u>
Well development including dry hole	9,997.40
Purchase of furniture	42,369.33
Purchase of non-producing petroleum and natural gas lease	29.67
	<u>23.67</u>
	<u>\$ 52,420.07</u>

Certified True and Signed on behalf of the Board:

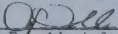
 Director
 Director

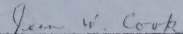
C E R T I F I C A T E

We hereby certify that there have been no material changes to date hereof in the items on the Balance Sheet submitted as of February 28, 1962, save and except that as of March 9th the sale of 100,000 shares of Canada Oil Lands Ltd. for an amount of \$106,000.00 to Bralorne Pioneer Mines Limited (N.P.L.) was concluded with full payment being received therefor. We further certify that there have been no material receipts or expenditures received, made or incurred during the period from February 28, 1962, to date hereof save and except the mentioned sale of Canada Oil Lands Ltd. shares.

DATED at the City of Calgary, in the Province of Alberta, this 28th day of March, A.D. 1962.

CALALTA PETROLEUMS LTD.

Per:  President & Director

Per:  Assistant Secretary-Treasurer & Director

10. Brief statement of company's chief development work during past year.	Company participated with Shell Oil Company of Canada Limited in certain operations conducted on Shell-Calalta-Carbondale 6-12 well, and in the drilling of Shell-Calalta-Waterton 7-14 well both located in the Waterton Gas Field in South West Alberta; and also participated on a penalty basis in the drilling of Shell-Calalta-Carbondale 11-8 in the general vicinity, and in some development operations with associates in the Normandville area of Alberta.		
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	No purchases contemplated.		
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable - no purchase involved.		
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None		
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable.		
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Arfred & Co., Box 1036, Nassau, Bahamas.	260,500	It is believed that these firms are nominees for a considerable number of beneficial owners.
	Cains & Co., c/o Bank of Montreal, 1205 - St. Catherine St. West, Montreal 2, P.Q.	201,767	
	Brault & Chaput, 5 - St. James Street, West, Montreal, P.Q.	139,851	
	James Richardson & Sons, 173 Portage Avenue, East, Winnipeg, Manitoba.	118,379	
	Phillips Oil Company Limited, 815 - 736 - Eighth Avenue, W., Calgary, Alberta.	300,000	
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The present management of the Company by solicitation of Proxies may be able to materially affect control of the Company.		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	None		
18. Brief statement of any lawsuits pending or in process against company or its properties.	None		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	None. No shares in course of primary distribution to public.		

CERTIFICATE OF THE COMPANY

DATED 28th March, 1962.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"A.G. Donaldson"

"J.W. Cook"

A.G. Donaldson
President & Director

J.W. Cook
Asst. Secy-Treas. & Director

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)